

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6037

BILL NUMBER: SB 24

NOTE PREPARED: Feb 20, 2004

BILL AMENDED: Feb 19, 2004

SUBJECT: Credentialing Application.

FIRST AUTHOR: Sen. Gard

FIRST SPONSOR: Rep. Pelath

BILL STATUS: CR Adopted - 2nd House

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) This bill specifies a credentialing application form for use in accident and sickness insurer and health maintenance organization provider credentialing activities and requires certain provider notifications. The bill exempts certain providers.

Effective Date: July 1, 2004.

Explanation of State Expenditures: The DOI must prescribe a credentialing application form used by the Council for Affordable Quality Healthcare for use by a provider who applies for credentialing by an insurer or health maintenance organization. ("Credentialing" means a process through which an insurer or health maintenance organization makes a determination based on criteria established by the insurer concerning whether a provider is eligible to provide health care services to an insured and receive reimbursement for the health care services under an agreement entered into between the provider and the insurer.) The proposal will result in an increase in administrative expenses for the DOI. The DOI should be able to absorb any additional costs given its current budget and resources.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance and FSSA.

Local Agencies Affected:

Information Sources:

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